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| <p>This memo is a follow-up to my memo of 19 September.</p> | |
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September 24, 1979

MEMORANDUM FOR: RMS office directors and staff chiefs
FROM: Deputy to the DCI for Resource Management
SUBJECT: Budget review period

This memorandum is designed to confirm our discussions of last week concerning schedules and responsibilities for the budget review period. We each recognize the importance of putting together a credible budget during the next several months, but there are other efforts that will be going on concurrently. I want to underscore, for example, that developing and issuing workable guidance for next year's process is at least equally important to me. If our program and budget reviews are to continue to improve, as I believe they have this year, we will need to give the program managers even better guidance. Producing the budget, developing the guidance, and continuing the analysis that is already underway will involve all of the offices. Following are the major tasks that I expect to see RMS accomplish by mid-November:

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1. FY 1981 Budget Review.

- ° PBO will be responsible for coordinating the process which leads to production of the DCI's consolidated NFIP budget by 15 November. The general schedule for this process is contained in memo to each of you dated 19 September. Several comments on that memo are in order:

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--The dates listed for first and final issue paper drafts are to be viewed as deadlines. Production of the issue papers should be staggered so that some are available before the deadlines.

--The internal RMS strategy sessions, which will be held for each program, were intentionally omitted from the schedule because the list may receive wider circulation. They are to begin this week and conclude before the [] meeting on 3 October. These sessions will be chaired by the program monitor and will include participation by PAO, PGO and IRO. I want each program monitor to gain a sense of how the hearings, scrubs and issues should develop.

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--The issue summary format that we will use for budget review is being developed. We expect to have guidelines explaining precisely what is to be included available before the [] meeting. PBO and IRO program monitors will be responsible for preparing the two-three page issue summaries for each issue. Some of these summaries will stand by themselves; others will be used as the cover for a lengthier analytical paper. The lengthier papers may be written by PAO, IRO, CTS, OMB or any other entity. PBO will be responsible for coordinating their issue summaries with the authors of the lengthier studies to be sure that the highlights have been captured accurately and that all points of view are reflected.

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° CLLO will be responsible for ensuring that the appropriate budget review material is circulated in advance of the NFIB and PRC(I) meetings. PBO will provide whatever assistance is required.

° The budget document will consist of a forwarding letter from the DCI to the President, drafted initially by PBO, a section of special analyses drafted by the analysts most familiar with the subject, appropriate financial schedules and the 1-N list.

--We should aim for five to seven special analyses of one to two pages each. The following subjects are under consideration but I welcome suggestions for additions or deletions.

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HF Modernization (PAO)
Personnel (PBO)
Survivability (PAO)
Shuttle/ELV (PAO)
ELINT (PAO)
Imagery exploitation and dissemination (PAO/IRO)
NFIP composition (PGO/PBO)

- ° Concurrent with the NFIP budget activity, PBO should also produce a memorandum for Admiral Turner to send to Secretary Brown providing the DCI's views on IRA issues. This is particularly important this year in view of the establishment of a Tactical Cryptologic Program. []

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2. FY 1982 Guidance.

This week [] will circulate a memorandum on the FY'82 guidance format. The memo will identify individual office assignments for portions of the guidance document. As I stated earlier, I consider preparation of the guidance to be at least equally important to budget review. I recognize the burden that having to deal with both these exercises at once puts on monitors and analysts, but I do not want to see the guidance receive short shrift. I expect the DCI to be very involved this year in identifying his areas of interest and concern for the FY 82-86 period. []

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3. Analytical Efforts

Several studies are underway that I would like to see available during the next several months. In most cases I hope the study can be completed. In other cases, where that is not possible, I would expect enough work to have been done for some early judgments to be available. The following list should not be considered all-inclusive.

- ° ELINT options paper. Undoubtedly this will be the basis of a budget issue. I am comfortable that I know where things are going on this effort. (PAO)
- ° NDC Study. I expect to see a final report shortly. I understand more work will continue as time permits. (PAO)
- ° STOF. I expect that elements of the STOF studies will be used to support various issues where it is appropriate. A very close look should be taken at STOF to see what are useful issues to raise in the guidance. (PAO)

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- ° Tactical SIGINT Transfers. This issue will have to be watched carefully. I expect it will form the basis of the special analysis on NFIP Composition, if we decide to use that as one of the series. (PGO/PBO)
- ° Inflation rates. I have a paper from PAO in hand which I would like to consider further, but I am interested in seeing that something is done for the budget this year and possibly also for guidance for next year. (PAO/DSG)
- ° ADP Imagery Study. Although work is just beginning on this, I expect that something will be available for use in the guidance. (IRO)
- ° Survivability. I recognize this is a long term effort, but I hope to get something out of it for the guidance as well as some data that can be used to support the ELINT decision. (PAO)
- ° Effectiveness of I&W. This is in an exploratory stage. It could result in the levying of a study through the guidance. (PAO)
- ° CIRIS-ZBB integration. At the very least I expect this effort to yield something that is useful for the guidance. (DSG/PBO)
- ° Army HUMINT. This effort is expected to yield guidance on the future of Army Clandestine Humint Collection. (PAO)
- ° FBIS. This study should review the tasking levied on FBIS, evaluate its product, and recommend whether some data that are being collected covertly could be acquired through FBIS. (PAO/PBO) [REDACTED]

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4. Procedure Review

Among the tasks on my personal agenda for the next several months and one of the subjects I want to discuss at [REDACTED] is the follow-on to program review. We have had one discussion on the subject which I would like to continue but I think it should be broadened to include a look at our entire program and budget review procedure. I expect to have at least one session on this before we [REDACTED]. The issue is germane to the dialogue I want to establish with the DCI based on his luncheon conversation with us and the memo he drafted following that discussion. [REDACTED]

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